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August 26, 2013

POSTAL REGULATORY
COMMISSION
OFFICE OF THE SECRETARY

Hon. Shoshana M. Grove, Secretary
Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington, D.C. 20268-0001

Dear Ms. Grove:

In connection with the Commission's rules pertaining to periodic reports, I have enclosed copies of the quarterly Billing Determinants for Quarter 3 of Fiscal Year (FY) 2013 (39 C.F.R. § 3050.25). The enclosed materials consist of four parts:

1. Market Dominant Products Billing Determinants – FY 2013 Quarter 3 (This part is **Public**). This part also includes revisions to the Market Dominant First-Class Mail Billing Determinants for FY 2013, Quarter 2 (see below);
2. Competitive Products Billing Determinants – FY 2013 Quarter 3 (This part is **Non-Public**);
3. International Products Billing Determinants – FY 2013 Quarter 3;
 - a. International Market Dominant Products Billing Determinants -- FY 2013 Quarter 3 (This subpart is **Public**);
 - b. International Competitive Products and ICM Billing Determinants -- FY 2013 Quarter 3 (This subpart is **Non-Public**); and

I have enclosed computer discs with machine-readable versions of each of these parts.

Under Part 1, we have provided a revision to the Fiscal Year 2013 Quarter 2 First-Class Mail Billing Determinants. This is public and may be posted on the Commission's website. The revision consists of minor corrections to the calculation of

revenue for First-Class Mail pieces that qualify for a "free" second-ounce rate. It should be noted that, in general, the calculation of additional ounces for both Nonautomation and Automation Presort First-Class Mail Letters exclude the additional ounces resulting from pieces weighing up to 2 ounces. There was a minor error in this calculation for FY13 Q2 which has been corrected. Red font and yellow highlighted numbers are corrected. Also, a separate line is added for revenue derived from Picture Permit in Tab A-4 Automation Letters.

As noted above, part 1 of the Billing Determinants for Quarter 3 (Market Dominant Products Billing Determinants) is public and may be posted on the Commission's website. Part 3 (Competitive Products Billing Determinants) is confidential and non-public and should not be posted on the Commission's website. The Postal Service has determined that the entire contents of this competitive products document should be withheld from public disclosure and that redaction of only parts would not be meaningful or practicable. Subpart 4a (International Market Dominant Products Billing Determinants) is public and may be posted on the Commission's website. Subpart 4b (International Competitive Products and ICM Billing Determinants), however, is confidential and non-public and should not be posted on the Commission's web site. The Postal Service has determined that the entire contents of subpart 4b (International Competitive Products and ICM Billing Determinants) should be withheld from public disclosure, and that redaction of only parts would not be meaningful or practicable.

In my letter to the Commission of March 3, 2010, which transmitted the Billing Determinants for Quarter 1 of FY 2010, I enclosed, as Attachment 1, the Postal Service's "Application of the United States Postal Service for Non-Public Treatment of Materials." The Postal Service incorporates this application by reference here. References to Quarter 1 in the document should be read to refer to Quarter 3 of FY 2013. The application applies to all of the materials described above that the Postal Service has designated as non-public and for which it has requested confidentiality.

If you have any questions regarding this report or the discussion above, please call.

Sincerely,



Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing and Product
Support

Enclosures

cc: Ms. Taylor